

TITLE XIV—MISCELLANEOUS

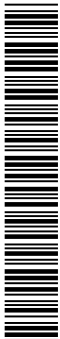
Subtitle B—Coastal Programs

SEC. 1411. ROYALTY PAYMENTS UNDER LEASES UNDER THE OUTER CONTINENTAL SHELF LANDS ACT.

(a) ROYALTY RELIEF.—

(1) IN GENERAL.—For purposes of providing compensation for lessees and a State for which amounts are authorized by section 6004(c) of the Oil Pollution Act of 1990 (Public Law 101–380), a lessee may withhold from payment any royalty due and owing to the United States under any leases under the Outer Continental Shelf Lands Act (43 U.S.C. 1301 et seq.) for offshore oil or gas production from a covered lease tract if, on or before the date that the payment is due and payable to the United States, the lessee makes a payment to the Secretary of the Interior of 44 cents for every \$1 of royalty withheld.

(2) USE OF AMOUNTS PAID TO SECRETARY.—
Within 30 days after the Secretary of the Interior receives payments under paragraph (1), the Secretary of the Interior shall—



1 (A) make 47.5 percent of such payments
2 available to the State referred to in section
3 6004(c) of the Oil Pollution Act of 1990; and

4 (B) make 52.5 percent of such payments
5 available equally, only for the programs and
6 purposes identified as number 282 at page
7 1389 of House Report number 108–10 and for
8 a program described at page 1159 of that Re-
9 port in the State referred to in such section
10 6004(c).

11 (3) TREATMENT OF AMOUNTS.—Any royalty
12 withheld by a lessee in accordance with this section
13 (including any portion thereof that is paid to the
14 Secretary of the Interior under paragraph (1)) shall
15 be treated as paid for purposes of satisfaction of the
16 royalty obligations of the lessee to the United States.

17 (4) CERTIFICATION OF WITHHELD AMOUNTS.—
18 The Secretary of the Treasury shall—

19 (A) determine the amount of royalty with-
20 held by a lessee under this section; and

21 (B) promptly publish a certification when
22 the total amount of royalty withheld by the les-
23 see under this section is equal to—

24 (i) the dollar amount stated at page
25 47 of Senate Report number 101–534,



1 which is designated therein as the total
2 drainage claim for the West Delta field;
3 plus
4 (ii) interest as described at page 47 of
5 that Report.

6 (b) PERIOD OF ROYALTY RELIEF.—Subsection (a)
7 shall apply to royalty amounts that are due and payable
8 in the period beginning on January 1, 2006, and ending
9 on the date on which the Secretary of the Treasury pub-
10 lishes a certification under subsection (a)(4)(B).

11 (c) DEFINITIONS.—As used in this section:

12 (1) COVERED LEASE TRACT.—The term “cov-
13 ered lease tract” means a leased tract (or portion of
14 a leased tract)—

15 (A) lying seaward of the zone defined and
16 governed by section 8(g) of the Outer Conti-
17 nental Shelf Lands Act (43 U.S.C. 1337(g)); or

18 (B) lying within such zone but to which
19 such section does not apply.

20 (2) LESSEE.—The term “lessee”—

21 (A) means a person or entity that, on the
22 date of the enactment of the Oil Pollution Act
23 of 1990, was a lessee referred to in section
24 6004(c) of that Act (as in effect on that date



1 of the enactment), but did not hold lease rights
2 in Federal offshore lease OCS–G–5669; and

3 (B) includes successors and affiliates of a
4 person or entity described in subparagraph (A).

5 **SEC. 1412. DOMESTIC OFFSHORE ENERGY REINVESTMENT.**

6 (a) DOMESTIC OFFSHORE ENERGY REINVESTMENT
7 PROGRAM.—The Outer Continental Shelf Lands Act (43
8 U.S.C. 1331 et seq.) is amended by adding at the end
9 the following:

10 **“SEC. 32. DOMESTIC OFFSHORE ENERGY REINVESTMENT**
11 **PROGRAM.**

12 “(a) DEFINITIONS.—In this section:

13 “(1) APPROVED PLAN.—The term ‘approved
14 plan’ means a Secure Energy Reinvestment Plan ap-
15 proved by the Secretary under this section.

16 “(2) COASTAL ENERGY STATE.—The term
17 ‘Coastal Energy State’ means a Coastal State off
18 the coastline of which, within the seaward lateral
19 boundary as determined by the map referenced in
20 subsection (c)(2)(A), outer Continental Shelf bonus
21 bids or royalties are generated, other than bonus
22 bids or royalties from a leased tract within any area
23 of the outer Continental Shelf for which a morato-
24 rium on new leasing was in effect as of January 1,
25 2002, unless the lease was issued before the estab-



1 lishment of the moratorium and was in production
2 on such date.

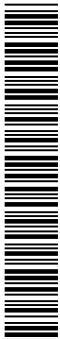
3 “(3) COASTAL POLITICAL SUBDIVISION.—The
4 term ‘coastal political subdivision’ means a county,
5 parish, or other equivalent subdivision of a Coastal
6 Energy State, all or part of which lies within the
7 boundaries of the coastal zone of the State, as iden-
8 tified in the State’s approved coastal zone manage-
9 ment program under the Coastal Zone Management
10 Act of 1972 (16 U.S.C. 1451 et seq.) on the date
11 of the enactment of this section.

12 “(4) COASTAL POPULATION.—The term ‘coastal
13 population’ means the population of a coastal polit-
14 ical subdivision, as determined by the most recent
15 official data of the Census Bureau.

16 “(5) COASTLINE.—The term ‘coastline’ has the
17 same meaning as the term ‘coast line’ in subsection
18 2(c) of the Submerged Lands Act (43 U.S.C.
19 1301(c)).

20 “(6) FUND.—The term ‘Fund’ means the Se-
21 cure Energy Reinvestment Fund established by this
22 section.

23 “(7) LEASED TRACT.—The term ‘leased tract’
24 means a tract maintained under section 6 or leased



1 under section 8 for the purpose of drilling for, devel-
2 oping, and producing oil and natural gas resources.

3 “(8) QUALIFIED OUTER CONTINENTAL SHELF
4 REVENUES.—(A) Except as provided in subpara-
5 graph (B), the term ‘qualified outer Continental
6 Shelf revenues’ means all amounts received by the
7 United States on or after October 1, 2005, from
8 each leased tract or portion of a leased tract lying
9 seaward of the zone defined and governed by section
10 8(g), or lying within such zone but to which section
11 8(g) does not apply, including bonus bids, rents, roy-
12 alties (including payments for royalties taken in kind
13 and sold), net profit share payments, and related in-
14 terest.

15 “(B) Such term does not include any revenues
16 from a leased tract or portion of a leased tract that
17 is included within any area of the outer Continental
18 Shelf for which a moratorium on new leasing was in
19 effect as of January 1, 2002, unless the lease was
20 issued before the establishment of the moratorium
21 and was in production on such date.

22 “(9) SECRETARY.—The term ‘Secretary’ means
23 the Secretary of the Interior.

24 “(b) SECURE ENERGY REINVESTMENT FUND.—



1 “(1) ESTABLISHMENT.—There is established in
2 the Treasury of the United States a separate ac-
3 count which shall be known as the ‘Secure Energy
4 Reinvestment Fund’. The Fund shall consist of
5 amounts deposited under paragraph (2), and such
6 other amounts as may be appropriated to the Fund.

7 “(2) DEPOSITS.—For each fiscal year after fis-
8 cal year 2004, the Secretary of the Treasury shall
9 deposit into the Fund the following:

10 “(A) Notwithstanding section 9, all quali-
11 fied outer Continental Shelf revenues attrib-
12 utable to royalties received by the United States
13 in the fiscal year that are in excess of the fol-
14 lowing amount:

15 “(i) \$3,455,000,000 in the case of
16 royalties received in fiscal year 2006.

17 “(ii) \$3,726,000,000 in the case of
18 royalties received in fiscal year 2007.

19 “(iii) \$4,613,000,000 in the case of
20 royalties received in fiscal year 2008.

21 “(iv) \$5,226,000,000 in the case of
22 royalties received in fiscal year 2009.

23 “(v) \$5,841,000,000 in the case of
24 royalties received in fiscal year 2010.



1 “(vi) \$5,763,000,000 in the case of
2 royalties received in fiscal year 2011.

3 “(vii) \$6,276,000,000 in the case of
4 royalties received in fiscal year 2012.

5 “(viii) \$6,351,000,000 in the case of
6 royalties received in fiscal year 2013.

7 “(ix) \$6,551,000,000 in the case of
8 royalties received in fiscal year 2014.

9 “(x) \$5,120,000,000 in the case of
10 royalties received in fiscal year 2015.

11 “(B) Notwithstanding section 9, all quali-
12 fied outer Continental shelf revenues attrib-
13 utable to bonus bids received by the United
14 States in each of the fiscal years 2006 through
15 2015 that are in excess of \$1,000,000,000.

16 “(C) Notwithstanding section 9, in addi-
17 tion to amounts deposited under subparagraphs
18 (A) and (B), \$35,000,000 of amounts received
19 by the United States each fiscal year as royal-
20 ties for oil or gas production on the outer Con-
21 tinental Shelf, except that no amounts shall be
22 deposited under this subparagraph before fiscal
23 year 2006 or after fiscal year 2015.

24 “(D) All interest earned under paragraph
25 (4).



1 “(E) All repayments under subsection (f).

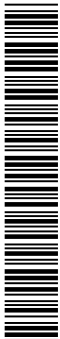
2 In no event shall deposits under subparagraphs (A)
3 through (C) exceed \$500,000,000.

4 “(3) REDUCTION IN DEPOSIT.—(A) For each
5 fiscal year after fiscal year 2015 in which amounts
6 received by the United States as royalties for oil or
7 gas production on the outer Continental Shelf are
8 less than the sum of the amounts described in sub-
9 paragraph (B) (before the application of this sub-
10 paragraph), the Secretary of the Treasury shall re-
11 duce each of the amounts described in subparagraph
12 (B) proportionately.

13 “(B) The amounts referred to in subparagraph
14 (A) are the following:

15 “(i) The amount required to be covered
16 into the Historic Preservation Fund under sec-
17 tion 108 of the National Historic Preservation
18 Act (16 U.S.C. 470h) on the date of the enact-
19 ment of this paragraph.

20 “(ii) The amount required to be credited to
21 the Land and Water Conservation Fund under
22 section 2(c)(2) of the Land and Water Con-
23 servation Fund Act of 1965 (16 U.S.C. 4601–
24 5(c)(2)) on the date of the enactment of this
25 paragraph.



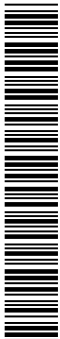
1 “(iii) The amount required to be deposited
2 under subparagraph (C) of paragraph (2) of
3 this subsection.

4 “(4) INVESTMENT.—The Secretary of the
5 Treasury shall invest moneys in the Fund (including
6 interest) in public debt securities with maturities
7 suitable to the needs of the Fund, as determined by
8 the Secretary of the Treasury, and bearing interest
9 at rates determined by the Secretary of the Treas-
10 ury, taking into consideration current market yields
11 on outstanding marketable obligations of the United
12 States of comparable maturity. Such invested mon-
13 eys shall remain invested until needed to meet re-
14 quirements for disbursement under this section.

15 “(5) REVIEW AND REVISION OF BASELINE
16 AMOUNTS.—Not later than December 31, 2010, the
17 Secretary of the Interior, in consultation with the
18 Secretary of the Treasury, shall—

19 “(A) determine the amount and composi-
20 tion of outer Continental Shelf revenues that
21 were received by the United States in each of
22 the fiscal years 2006 through 2010;

23 “(B) project the amount and composition
24 of outer Continental Shelf revenues that will be



1 received in the United States in each of the fis-
2 cal years 2011 through 2015; and

3 “(C) submit to the Congress a report re-
4 garding whether any of the dollar amounts set
5 forth in clauses (v) through (x) of paragraph
6 (2)(A) or paragraph (2)(B) should be modified
7 to reflect those projections.

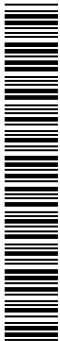
8 “(6) AUTHORIZATION OF APPROPRIATION OF
9 ADDITIONAL AMOUNTS.—In addition to the amounts
10 deposited into the Fund under paragraph (2) there
11 are authorized to be appropriated to the Fund—

12 “(A) for each of fiscal years 2006 through
13 2015 up to \$500,000,000; and

14 “(B) for each fiscal year after fiscal year
15 2015 up to 25 percent of qualified outer Conti-
16 nental Shelf revenues received by the United
17 States in the preceding fiscal year.

18 “(c) USE OF SECURE ENERGY REINVESTMENT
19 FUND.—

20 “(1) IN GENERAL.—(A) The Secretary shall use
21 amounts in the Fund remaining after the application
22 of subsections (h) and (i) to pay to each Coastal En-
23 ergy State that has a Secure Energy Reinvestment
24 Plan approved by the Secretary under this section,
25 and to coastal political subdivisions of such State,



1 the amount allocated to the State or coastal political
2 subdivision, respectively, under this subsection.

3 “(B) The Secretary shall make payments under
4 this paragraph in December of 2006, and of each
5 year thereafter, from revenues received by the
6 United States in the immediately preceding fiscal
7 year. Notwithstanding any other provision of this
8 section, the amounts made available from the Fund
9 for any fiscal year shall not exceed \$500,000,000.

10 “(2) ALLOCATION.—The Secretary shall allo-
11 cate amounts deposited into the Fund in a fiscal
12 year, and other amounts determined by the Sec-
13 retary to be available, among Coastal Energy States
14 that have an approved plan, and to coastal political
15 subdivisions of such States, as follows:

16 “(A)(i) Of the amounts made available for
17 each of the first 10 fiscal years for which
18 amounts are available for allocation under this
19 paragraph, the allocation for each Coastal En-
20 ergy State shall be calculated based on the ratio
21 of qualified outer Continental Shelf revenues
22 generated off the coastline of the Coastal En-
23 ergy State to the qualified outer Continental
24 Shelf revenues generated off the coastlines of
25 all Coastal Energy States for the period begin-



1 ning January 1, 1992, and ending December
2 31, 2001.

3 “(ii) Of the amounts available for a fiscal
4 year in a subsequent 10-fiscal-year period, the
5 allocation for each Coastal Energy State shall
6 be calculated based on such ratio determined by
7 the Secretary with respect to qualified outer
8 Continental Shelf revenues generated in each
9 subsequent corresponding 10-year period.

10 “(iii) For purposes of this subparagraph,
11 qualified outer Continental Shelf revenues shall
12 be considered to be generated off the coastline
13 of a Coastal Energy State if the geographic
14 center of the lease tract from which the reve-
15 nues are generated is located within the area
16 formed by the extension of the State’s seaward
17 lateral boundaries, calculated using the strict
18 and scientifically derived conventions estab-
19 lished to delimit international lateral boundaries
20 under the Law of the Sea, as indicated on the
21 map entitled ‘Calculated Seaward Lateral
22 Boundaries’ and dated October 2003, on file in
23 the Office of the Director, Minerals Manage-
24 ment Service.



1 “(B) 35 percent of each Coastal Energy
2 State’s allocable share as determined under
3 subparagraph (A) shall be allocated among and
4 paid directly to the coastal political subdivisions
5 of the State by the Secretary based on the fol-
6 lowing formula:

7 “(i) 25 percent shall be allocated
8 based on the ratio of each coastal political
9 subdivision’s coastal population to the
10 coastal population of all coastal political
11 subdivisions of the Coastal Energy State.

12 “(ii) 25 percent shall be allocated
13 based on the ratio of each coastal political
14 subdivision’s coastline miles to the coast-
15 line miles of all coastal political subdivi-
16 sions of the State. In the case of a coastal
17 political subdivision without a coastline,
18 the coastline of the political subdivision for
19 purposes of this clause shall be one-third
20 the average length of the coastline of the
21 other coastal political subdivisions of the
22 State.

23 “(iii) 50 percent shall be allocated
24 based on a formula that allocates 75 per-
25 cent of the funds based on such coastal po-



1 litical subdivision's relative distance from
2 any leased tract used to calculate that
3 State's allocation and 25 percent of the
4 funds based on the relative level of outer
5 Continental Shelf oil and gas activities in
6 a coastal political subdivision to the level of
7 outer Continental Shelf oil and gas activi-
8 ties in all coastal political subdivisions in
9 such State, as determined by the Sec-
10 retary, except that in the case of a coastal
11 political subdivision in the State of Cali-
12 fornia that has a coastal shoreline, that is
13 not within 200 miles of the geographic cen-
14 ter of a leased tract or portion of a leased
15 tract, and in which there is located one or
16 more oil refineries the allocation under this
17 clause shall be determined as if that coast-
18 al political subdivision were located within
19 a distance of 50 miles from the geographic
20 center of the closest leased tract with
21 qualified outer Continental Shelf revenues.

22 “(3) REALLOCATION.—Any amount allocated to
23 a Coastal Energy State or coastal political subdivi-
24 sion of such a State but not disbursed because of a
25 failure of a Coastal Energy State to have an ap-

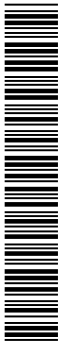


1 proved plan shall be reallocated by the Secretary
2 among all other Coastal Energy States in a manner
3 consistent with this subsection, except that the
4 Secretary—

5 “(A) shall hold the amount in escrow with-
6 in the Fund until the earlier of the end of the
7 next fiscal year in which the allocation is made
8 or the final resolution of any appeal regarding
9 the disapproval of a plan submitted by the
10 State under this section; and

11 “(B) shall continue to hold such amount in
12 escrow until the end of the subsequent fiscal
13 year thereafter, if the Secretary determines that
14 such State is making a good faith effort to de-
15 velop and submit, or update, a Secure Energy
16 Reinvestment Plan under subsection (d).

17 “(4) MINIMUM SHARE.—Notwithstanding any
18 other provision of this subsection, the amount allo-
19 cated under this subsection to each Coastal Energy
20 State each fiscal year shall be not less than 5 per-
21 cent of the total amount available for that fiscal year
22 for allocation under this subsection to Coastal En-
23 ergy States, except that for any Coastal Energy
24 State determined by the Secretary to have an area
25 formed by the extension of the State’s seaward lat-

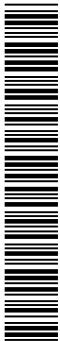


1 eral boundary, as designated by the map referenced
2 in paragraph (2)(A)(iii), of less than 490 square
3 statute miles, the amount allocated to such State
4 shall not be less than 10 percent of the total amount
5 available for that fiscal year for allocation under this
6 subsection.

7 “(5) RECOMPUTATION.—If the allocation to one
8 or more Coastal Energy States under paragraph (4)
9 with respect to a fiscal year is greater than the
10 amount that would be allocated to such States under
11 this subsection if paragraph (4) did not apply, then
12 the allocations under this subsection to all other
13 Coastal Energy States shall be paid from the
14 amount remaining after deduction of the amounts
15 allocated under paragraph (4), but shall be reduced
16 on a pro rata basis by the sum of the allocations
17 under paragraph (4) so that not more than 100 per-
18 cent of the funds available in the Fund for allocation
19 with respect to that fiscal year is allocated.

20 “(d) SECURE ENERGY REINVESTMENT PLAN.—

21 “(1) DEVELOPMENT AND SUBMISSION OF
22 STATE PLANS.—The Governor of each State seeking
23 to receive funds under this section shall prepare, and
24 submit to the Secretary, a Secure Energy Reinvest-
25 ment Plan describing planned expenditures of funds

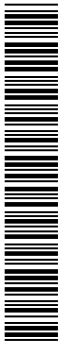


1 received under this section. The Governor shall in-
2 clude in the State plan submitted to the Secretary
3 plans prepared by the coastal political subdivisions
4 of the State. The Governor and the coastal political
5 subdivision shall solicit local input and provide for
6 public participation in the development of the State
7 plan. In describing the planned expenditures, the
8 State and coastal political subdivisions shall include
9 only items that are uses authorized under subsection
10 (e).

11 “(2) APPROVAL OR DISAPPROVAL.—

12 “(A) IN GENERAL.—The Secretary may
13 not disburse funds to a State or coastal political
14 subdivision of a State under this section before
15 the date the State has an approved plan. The
16 Secretary shall approve a Secure Energy Rein-
17 vestment Plan submitted by a State under
18 paragraph (1) if the Secretary determines that
19 the expenditures provided for in the plan are
20 uses authorized under subsection (e), and that
21 the plan contains each of the following:

22 “(i) The name of the State agency
23 that will have the authority to represent
24 and act for the State in dealing with the
25 Secretary for purposes of this section.

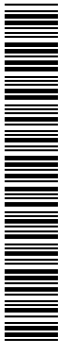


1 “(ii) A program for the implementa-
2 tion of the plan, that (I) has as a goal im-
3 proving the environment, (II) has as a goal
4 addressing the impacts of oil and gas pro-
5 duction from the outer Continental Shelf,
6 and (III) includes a description of how the
7 State and coastal political subdivisions of
8 the State will evaluate the effectiveness of
9 the plan.

10 “(iii) Certification by the Governor
11 that ample opportunity has been accorded
12 for public participation in the development
13 and revision of the plan.

14 “(iv) Measures for taking into account
15 other relevant Federal resources and pro-
16 grams. The plan shall be correlated so far
17 as practicable with other State, regional,
18 and local plans.

19 “(v) For any State for which the ratio
20 determined under subsection (c)(2)(A)(i)
21 or (c)(2)(A)(ii), as appropriate, expressed
22 as a percentage, exceeds 25 percent, a plan
23 to spend not less than 30 percent of the
24 total funds provided under this section
25 each fiscal year to that State and appro-



1 priate coastal political subdivisions, to ad-
2 dress the socioeconomic or environmental
3 impacts identified in the plan that remain
4 significant or progressive after implemen-
5 tation of mitigation measures identified in
6 the most current environmental impact
7 statement (as of the date of the enactment
8 of this clause) required under the National
9 Environmental Protection Act of 1969 for
10 lease sales under this Act.

11 “(vi) A plan to utilize at least one-half
12 of the funds provided pursuant to sub-
13 section (c)(2)(B), and a portion of other
14 funds provided to such State under this
15 section, on programs or projects that are
16 coordinated and conducted in partnership
17 between the State and coastal political sub-
18 division.

19 “(B) PROCEDURE AND TIMING.—The Sec-
20 retary shall approve or disapprove each plan
21 submitted in accordance with this subsection
22 within 90 days after its submission.

23 “(3) AMENDMENT OR REVISION.—Any amend-
24 ment to or revision of an approved plan shall be pre-
25 pared and submitted in accordance with the require-



1 ments under this paragraph for the submittal of
2 plans, and shall be approved or disapproved by the
3 Secretary in accordance with paragraph (2)(B).

4 “(e) AUTHORIZED USES.—A Coastal Energy State,
5 and a coastal political subdivision of such a State, shall
6 use amounts paid under this section (including any such
7 amounts deposited into a trust fund administered by the
8 State or coastal political subdivision dedicated to uses con-
9 sistent with this subsection), in compliance with Federal
10 and State law and the approved plan of the State, only
11 for one or more of the following purposes:

12 “(1) Projects and activities, including edu-
13 cational activities, for the conservation, protection,
14 or restoration of coastal areas including wetlands.

15 “(2) Mitigating damage to, or the protection of,
16 fish, wildlife, or natural resources.

17 “(3) To the extent of such sums as are consid-
18 ered reasonable by the Secretary, planning assist-
19 ance and administrative costs of complying with this
20 section.

21 “(4) Implementation of federally approved
22 plans or programs for marine, coastal, subsidence,
23 or conservation management or for protection of re-
24 sources from natural disasters.



1 “(5) Mitigating impacts of outer Continental
2 Shelf activities through funding onshore infrastruc-
3 ture and public service needs.

4 “(f) COMPLIANCE WITH AUTHORIZED USES.—If the
5 Secretary determines that an expenditure of an amount
6 made by a Coastal Energy State or coastal political sub-
7 division is not in accordance with the approved plan of
8 the State (including the plans of coastal political subdivi-
9 sions included in such plan), the Secretary shall not dis-
10 burse any further amounts under this section to that
11 Coastal Energy State or coastal political subdivision
12 until—

13 “(1) the amount is repaid to the Secretary; or

14 “(2) the Secretary approves an amendment to
15 the plan that authorizes the expenditure.

16 “(g) ARBITRATION OF STATE AND LOCAL DIS-
17 PUTES.—The Secretary may require, as a condition of any
18 payment under this section, that a State or coastal polit-
19 ical subdivision in a State must submit to arbitration—

20 “(1) any dispute between the State or coastal
21 political subdivision (or both) and the Secretary re-
22 garding implementation of this section; and

23 “(2) any dispute between the State and political
24 subdivision regarding implementation of this section,
25 including any failure to include, in the plan sub-



mitted by the State for purposes of subsection (d),
any spending plan of the coastal political subdivision.
sion.

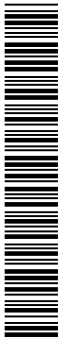
“(h) ADMINISTRATIVE EXPENSES.—Of amounts in
the Fund each fiscal year, the Secretary may use up to
one-half of one percent for the administrative costs of implementing this section.

“(i) FUNDING FOR CONSORTIUM.—

“(1) IN GENERAL.—Of amounts deposited into
the Fund in each fiscal year 2006 through 2015, 2
percent shall be available to the Secretary of the Interior to provide funding for the Coastal Restoration and Enhancement through Science and Technology program.

“(2) TREATMENT.—Any amount available
under this subsection for a fiscal year shall, for purposes of determining the amount appropriated under any other provision of law that authorizes appropriations to carry out the program referred to in paragraph (1), be treated as appropriated under that other provision.

“(j) DISPOSITION OF FUNDS.—A Coastal Energy
State or coastal political subdivision may use funds provided to such entity under this section, subject to subsection (e), for any payment that is eligible to be made



1 with funds provided to States under section 35 of the Min-
2 eral Leasing Act (30 U.S.C. 191).

3 “(k) REPORTS.—Each fiscal year following a fiscal
4 year in which a Coastal Energy State or coastal political
5 subdivision of a Coastal Energy State receives funds under
6 this section, the Governor of the Coastal Energy State,
7 in coordination with such State’s coastal political subdivi-
8 sions, shall account for all funds so received for the pre-
9 vious fiscal year in a written report to the Secretary. The
10 report shall include, in accordance with regulations pre-
11 scribed by the Secretary, a description of all projects and
12 activities that received such funds. In order to avoid dupli-
13 cation, such report may incorporate, by reference, any
14 other reports required to be submitted under other provi-
15 sions of law.

16 “(l) SIGNS.—The Secretary shall require, as a condi-
17 tion of any allocation of funds provided with amounts
18 made available by this section, that each State and coastal
19 political subdivision shall include on any sign otherwise in-
20 stalled at any site at or near an entrance or public use
21 focal point area for which such funds are used, a state-
22 ment that the existence or development of the site (or
23 both), as appropriate, is a product of such funds.”.



1 (b) ADDITIONAL AMENDMENTS.—Section 31 of the
2 Outer Continental Shelf Lands Act (43 U.S.C. 1356a) is
3 amended—

4 (1) by striking subsection (a);

5 (2) in subsection (c) by striking “For fiscal
6 year 2001, \$150,000,000 is” and inserting “Such
7 sums as may be necessary to carry out this section
8 are”;

9 (3) in subsection (d)(1)(B) by striking “, ex-
10 cept” and all that follows through the end of the
11 sentence and inserting a period;

12 (4) by redesignating subsections (b) through (g)
13 in order as subsection (a) through (f); and

14 (5) by striking “subsection (f)” each place it
15 appears and inserting “subsection (e)”.

16 (c) UTILIZATION OF COASTAL RESTORATION AND
17 ENHANCEMENT THROUGH SCIENCE AND TECHNOLOGY
18 PROGRAM.—

19 (1) AUTHORIZATION.—The Secretary of the In-
20 terior and the Secretary of Commerce may each use
21 the Coastal Restoration and Enhancement through
22 Science and Technology program for the purposes
23 of—

24 (A) assessing the effects of coastal habitat
25 restoration techniques;



1 (B) developing improved ecosystem mod-
2 eling capabilities for improved predictions of
3 coastal conditions and habitat change and for
4 developing new technologies for restoration ac-
5 tivities; and

6 (C) identifying economic options to address
7 socioeconomic consequences of coastal degrada-
8 tion.

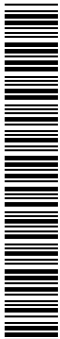
9 (2) CONDITION.—The Secretary of the Interior,
10 in consultation with the Secretary of Commerce,
11 shall ensure that the program—

12 (A) establishes procedures designed to
13 avoid duplicative activities among Federal agen-
14 cies and entities receiving Federal funds;

15 (B) coordinates with persons involved in
16 similar activities; and

17 (C) establishes a mechanism to collect, or-
18 ganize, and make available information and
19 findings on coastal restoration.

20 (3) REPORT.—Not later than September 30,
21 2010, the Secretary of the Interior, in consultation
22 with the Secretary of Commerce, shall transmit a re-
23 port to the Congress on the effectiveness of any Fed-
24 eral and State restoration efforts conducted pursu-



1 ant to this subsection and make recommendations to
2 improve coordinated coastal restoration efforts.

3 (4) FUNDING.—For each of fiscal years 2006
4 through 2015, there is authorized to be appropriated
5 to the Secretary \$10,000,000 to carry out activities
6 under this subsection.

7 **Subtitle C—Other Provisions**

8 **SEC. 1441. CONTINUATION OF TRANSMISSION SECURITY** 9 **ORDER.**

10 Department of Energy Order No. 202–03–2, issued
11 by the Secretary of Energy on August 28, 2003, shall re-
12 main in effect unless rescinded by Federal statute.

13 **SEC. 1442. REVIEW OF AGENCY DETERMINATIONS.**

14 Section 7 of the Natural Gas Act (15 U.S.C. 717f)
15 is amended by adding at the end the following:

16 “(i)(1) The United States Court of Appeals for the
17 District of Columbia Circuit shall have original and exclu-
18 sive jurisdiction over any civil action—

19 “(A) for review of any order or action of any
20 Federal or State administrative agency or officer to
21 issue, condition, or deny any permit, license, concur-
22 rence, or approval issued under authority of any
23 Federal law, other than the Coastal Zone Manage-
24 ment Act of 1972 (16 U.S.C. 1451 et seq.), required
25 for the construction of a natural gas pipeline for



1 which a certificate of public convenience and neces-
2 sity is issued by the Commission under this section;

3 “(B) alleging unreasonable delay by any Fed-
4 eral or State administrative agency or officer in en-
5 tering an order or taking other action described in
6 subparagraph (A); or

7 “(C) challenging any decision made or action
8 taken under this subsection.

9 “(2)(A) If the Court finds that the order, action, or
10 failure to act is not consistent with the public convenience
11 and necessity (as determined by the Commission under
12 this section), or would prevent the construction and oper-
13 ation of natural gas facilities authorized by the certificate
14 of public convenience and necessity, the permit, license,
15 concurrence, or approval that is the subject of the order,
16 action, or failure to act shall be deemed to have been
17 issued subject to any conditions set forth in the reviewed
18 order or action that the Court finds to be consistent with
19 the public convenience and necessity.

20 “(B) For purposes of paragraph (1)(B), the failure
21 of an agency or officer to issue any such permit, license,
22 concurrence, or approval within the later of 1 year after
23 the date of filing of an application for the permit, license,
24 concurrence, or approval or 60 days after the date of
25 issuance of the certificate of public convenience and neces-



1 sity under this section, shall be considered to be unreason-
2 able delay unless the Court, for good cause shown, deter-
3 mines otherwise.

4 “(C) The Court shall set any action brought under
5 paragraph (1) for expedited consideration.”.

6 **SEC. 1443. ATTAINMENT DATES FOR DOWNWIND OZONE**
7 **NONATTAINMENT AREAS.**

8 Section 181 of the Clean Air Act (42 U.S.C.7511)
9 is amended by adding the following new subsection at the
10 end thereof:

11 “(d) EXTENDED ATTAINMENT DATE FOR CERTAIN
12 DOWNWIND AREAS.—

13 “(1) DEFINITIONS.—(A) The term ‘upwind
14 area’ means an area that—

15 “(i) significantly contributes to nonattain-
16 ment in another area, hereinafter referred to as
17 a ‘downwind area’; and

18 “(ii) is either—

19 “(I) a nonattainment area with a later
20 attainment date than the downwind area,
21 or

22 “(II) an area in another State that
23 the Administrator has found to be signifi-
24 cantly contributing to nonattainment in
25 the downwind area in violation of section



1 110(a)(2)(D) and for which the Adminis-
2 trator has established requirements
3 through notice and comment rulemaking to
4 eliminate the emissions causing such sig-
5 nificant contribution.

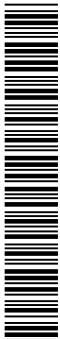
6 “(B) The term ‘current classification’ means
7 the classification of a downwind area under this sec-
8 tion at the time of the determination under para-
9 graph (2).

10 “(2) EXTENSION.—If the Administrator—

11 “(A) determines that any area is a down-
12 wind area with respect to a particular national
13 ambient air quality standard for ozone; and

14 “(B) approves a plan revision for such
15 area as provided in paragraph (3) prior to a re-
16 classification under subsection (b)(2)(A),
17 the Administrator, in lieu of such reclassification,
18 shall extend the attainment date for such downwind
19 area for such standard in accordance with paragraph
20 (5).

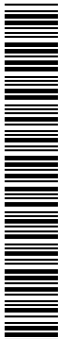
21 “(3) REQUIRED APPROVAL.—In order to extend
22 the attainment date for a downwind area under this
23 subsection, the Administrator must approve a revi-
24 sion of the applicable implementation plan for the
25 downwind area for such standard that—



1 “(A) complies with all requirements of this
2 Act applicable under the current classification
3 of the downwind area, including any require-
4 ments applicable to the area under section
5 172(c) for such standard; and

6 “(B) includes any additional measures
7 needed to demonstrate attainment by the ex-
8 tended attainment date provided under this
9 subsection.

10 “(4) PRIOR RECLASSIFICATION DETERMINA-
11 TION.—If, no more than 18 months prior to the date
12 of enactment of this subsection, the Administrator
13 made a reclassification determination under sub-
14 section (b)(2)(A) for any downwind area, and the
15 Administrator approves the plan revision referred to
16 in paragraph (3) for such area within 12 months
17 after the date of enactment of this subsection, the
18 reclassification shall be withdrawn and the attain-
19 ment date extended in accordance with paragraph
20 (5) upon such approval. The Administrator shall
21 also withdraw a reclassification determination under
22 subsection (b)(2)(A) made after the date of enact-
23 ment of this subsection and extend the attainment
24 date in accordance with paragraph (5) if the Admin-
25 istrator approves the plan revision referred to in



1 paragraph (3) within 12 months of the date the re-
2 classification determination under subsection
3 (b)(2)(A) is issued. In such instances the ‘current
4 classification’ used for evaluating the revision of the
5 applicable implementation plan under paragraph (3)
6 shall be the classification of the downwind area
7 under this section immediately prior to such reclassi-
8 fication.

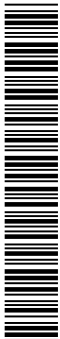
9 “(5) EXTENDED DATE.—The attainment date
10 extended under this subsection shall provide for at-
11 tainment of such national ambient air quality stand-
12 ard for ozone in the downwind area as expeditiously
13 as practicable but no later than the date on which
14 the last reductions in pollution transport necessary
15 for attainment in the downwind area are required to
16 be achieved by the upwind area or areas.”.

17 **SEC. 1444. ENERGY PRODUCTION INCENTIVES.**

18 (a) IN GENERAL.—A State may provide to any
19 entity—

20 (1) a credit against any tax or fee owed to the
21 State under a State law, or

22 (2) any other tax incentive,
23 determined by the State to be appropriate, in the amount
24 calculated under and in accordance with a formula deter-
25 mined by the State, for production described in subsection



1 (b) in the State by the entity that receives such credit or
2 such incentive.

3 (b) ELIGIBLE ENTITIES.—Subsection (a) shall apply
4 with respect to the production in the State of—

5 (1) electricity from coal mined in the State and
6 used in a facility, if such production meets all appli-
7 cable Federal and State laws and if such facility
8 uses scrubbers or other forms of clean coal tech-
9 nology,

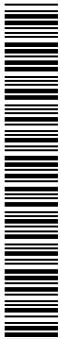
10 (2) electricity from a renewable source such as
11 wind, solar, or biomass, or

12 (3) ethanol.

13 (c) EFFECT ON INTERSTATE COMMERCE.—Any ac-
14 tion taken by a State in accordance with this section with
15 respect to a tax or fee payable, or incentive applicable,
16 for any period beginning after the date of the enactment
17 of this Act shall—

18 (1) be considered to be a reasonable regulation
19 of commerce; and

20 (2) not be considered to impose an undue bur-
21 den on interstate commerce or to otherwise impair,
22 restrain, or discriminate, against interstate com-
23 merce.



1 **SEC. 1446. REGULATION OF CERTAIN OIL USED IN TRANS-**
2 **FORMERS.**

3 Notwithstanding any other provision of law, or rule
4 promulgated by the Environmental Protection Agency,
5 vegetable oil made from soybeans and used in electric
6 transformers as thermal insulation shall not be regulated
7 as an oil as defined under section 2(a)(1)(A) of the Edible
8 Oil Regulatory Reform Act (33 U.S.C. 2720(a)(1)(A)).

9 **SEC. 1447. RISK ASSESSMENTS.**

10 Subtitle B of title XXX of the Energy Policy Act of
11 1992 is amended by adding at the end the following new
12 section:

13 **“SEC. 3022. RISK ASSESSMENT.**

14 “Federal agencies conducting assessments of risks to
15 human health and the environment from energy tech-
16 nology, production, transport, transmission, distribution,
17 storage, use, or conservation activities shall use sound and
18 objective scientific practices in assessing such risks, shall
19 consider the best available science (including peer reviewed
20 studies), and shall include a description of the weight of
21 the scientific evidence concerning such risks.”.

